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UNCLAS SECTION 01 OF 02 RANGOON 000110

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SUBJECT: BURMA CAN'T FIGHT PHONY PHARMAS FROM INDIA AND CHINA

1. (SBU) Summary: Sick Burmese are suffering under a flood of fake, unregistered, or sub-standard pharmaceuticals primarily imported from India and China. Though honest importers and the government are making some efforts to deal with the situation, little can be done without a better regulatory framework, more government enforcement resources, and an improvement of the economy. End summary.

A Flood of Knock-Offs

2. (SBU) A prominent physician, drug importer, and head of the Myanmar Pharmaceutical Suppliers Entrepreneur Association (MPSEA), echoed recent statements by WHO that ersatz, unregistered, and sub-standard medicines were growing problems for Burma. Though domestically produced Burmese fakes are limited mostly to local-label vitamins and mild pain relievers, the majority of imported counterfeits are powerful brand-name antibiotics and other drugs used to fight serious infectious diseases like TB. He asserted that increasing poverty in Burma was driving demand for cheaper drugs and that supply was abundant due to booming counterfeit drug industries in neighboring India and China. Poor legal controls on the distribution of pharmaceuticals in Burma, wide-open borders, and inadequate government resources to enforce existing regulations exacerbate the problem.

3. (SBU) Currently the law requires all drugs for sale in Burma be tested by and registered with the GOB's Food and Drug Administration (FDA). In reality, though, the FDA has few resources to spot check pharmacies -- usually quite informal -- and drugs for sale to ensure they are genuine and registered. Instead, the government is dealing with the growing problem by trying to arrest distributors and importers suspected of dealing in fake pharmaceuticals. On December 13 of last year, authorities arrested several people and seized more than five million phony imported antibiotic capsules.

Don't Do (Fake) Drugs!

4. (SBU) In the current environment, it is a losing battle against these dangerous medicines. The doctor said that counterfeiters are so good now it is impossible to tell a drug is fake from its appearance or packaging. Only lab tests can tell the difference between real pharmaceuticals and the chalk or flour fillers favored by fraudsters. In Burma such testing is quite difficult due to a lack of knowledge, labs, and human resources. Even prices offer no clue. Though knock-offs have gained market share because they are cheap, there is no way for a consumer to know whether a certain drug is being sold "below market" value. There are no common benchmark prices for drugs amongst the country's distributors -- only a tiny number of which are run by someone with any pharmacological training. Also, clever counterfeit dealers often discount their wares only a small amount (perhaps 5 kyat (0.5 cent) per tablet) to avoid arousing suspicion.

5. (SBU) For now, the doctor said, his association is striving to educate the government and consumers via the media regarding the dangers of counterfeit or sub-standard pharmaceuticals. Association members have also agreed to police themselves, trying to avoid buying and distributing bad medicine and encouraging other sellers in their marketplaces to eschew the cheap but dangerous drugs. Finally, the MPSEA is reaching out to the best-established pharmacies and private clinics around Rangoon, urging them to pay a little more to buy from well-known multinational companies via reputable importers -- such as MPSEA members.

Comment: Little Can Be Done

6. (SBU) The Association's best education efforts and the government's arrests only scratch the surface. Nothing will stop the inflow and consumption of bogus drugs until there is a better regulatory framework and more resources for enforcement. Currently there is no system of prescriptions

and no requirements for the establishment of a pharmacy or for selling even the most potent medication. The situation may get worse, the physician opined, if India cracks down on its domestic sales of counterfeit pharmaceuticals and its producers rely even more on Burma for sales. End comment. Martinez